



Superior claims resolution

Title insurance from FCT. We've got you covered.



**OUR CLAIM TO YOU:
SUPERIOR PROTECTION AND NO-FAULT RESOLUTION.**

In the financial world, time is indeed money.

So once all the paperwork has been processed and you've approved funding for a transaction, the last thing you need is for plans to get derailed. However, the reality is that a host of unknown issues can emerge after closing. These issues can be costly to fix and can put your organization at risk.



Once you've made the decision to release funds,

you need to know that your loan is well protected against losses associated with issues such as:



Liens



**Defects revealed
by an up-to-date
survey**



**Challenges to the
enforceability
of the mortgage**



**Validity of the
mortgage**



Title defects

**Superior claims
resolution**

When you make FCT your first choice for title insurance, you can rest easy knowing that you're backed by the leader in the industry for claims resolution. With a passion to serve our lending customers, we strive to not only meet, but to exceed your expectations. We truly do have you covered!

For more information on our comprehensive coverage and industry-leading claims resolution, please contact our lender solutions team today.

Consider the following claims stories where having title insurance provided both protection and a timely resolution that prevented the lender from suffering a loss related to a covered risk.



Super priority lien

A title-insured mortgage went into default and the lender proceeded to sell the property. However, unbeknownst to the lender, the borrower had failed to remit GST payments to the Canada Revenue Agency.

Resolution

The CRA claimed priority over the insured lender's mortgage so they were paid out first from the proceeds of the sale of the property. This resulted in a shortfall of over \$20,000 for the lender. Because of the title insurance policy in place, the lender was reimbursed for the amount owing to the CRA as of the policy date, removing any potential loss in this situation.



Survey defects

A lender had approved a mortgage on a grocery store which had gone into default. The lender attempted to sell the property to recover the debt, only to discover that in a previous transfer of the land, a portion of the land that included a parking lot and loading dock was never properly conveyed.

Resolution

Therefore, this parcel of land still belonged to the original owner, who offered to sell it to the insured lender at a highly inflated rate. He knew that without it, the lender's sale of the grocery store would be difficult. Since no agreement could be reached, FCT stepped in and compensated the lender for a reduced purchase price for the mortgaged land. The original owner later negotiated the sale of the parking and dock areas at a fair market price and no one suffered a loss thanks to FCT's involvement.



Mortgage enforceability

In this case a lender had issued a mortgage for just under \$1M to a husband and wife. When the mortgage went into arrears and the lender attempted to contact the mortgagors, the wife advised the lender that she and her husband were currently in the middle of a highly contested divorce settlement and that she had, in fact, never signed any mortgage documents.

Resolution

Because it was arranged without her knowledge or consent, she claimed that the mortgage was unenforceable. Since the lender had insisted on the mortgage being titled insured when they approved funding, FCT covered them for the legal costs of defending the enforceability of the mortgage and the loss as a result of negotiating a settlement with the wife.



Title and/or legal description defects

A mortgage in the amount of \$110,000 was in arrears and the lender commenced a power of sale to try to recoup their investment. Once the proceedings were underway, the lender was advised by legal counsel that there was a life interest registered on title, making it impossible to sell the property until that individual was either paid out or signed off on the sale.

Resolution

Since the holder of the life interest had since passed on, FCT retained and paid for counsel on behalf of the lender to delete the life interest from title. The sale went ahead as planned and lender was able to avoid a loss.

About FCT

Founded in 1991, the FCT group of companies is based in Oakville, Ontario, and has over 800 employees across the country. The group provides industry-leading title insurance, default solutions and other real-estate-related products and services to approximately 450 lenders, over 44,000 legal professionals and 5,000 recovery professionals, as well as real estate agents, mortgage brokers and builders, nationwide.

FCT has been recognized as one of the best workplaces in Canada* by the Great Place to Work® Institute in both 2015 and 2016, as well as earning the designation of being one of the best workplaces in Canada for women in 2016.

The FCT group of companies includes FCT Insurance Company Ltd. which provides title and valuation insurance, with the exception of commercial title policies, which are provided jointly by First American Title Insurance Company and FCT Insurance Company Ltd. Services are provided by First Canadian Title Company Limited.

For more information on FCT, please visit the company website at FCT.ca.

* Large and multinational category

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®Registered trademark of First American Financial Corporation

**To learn more about FCT's
customized lending solutions,
please call or go online today.**

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